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House of Representatives

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July 3, 2003

The Honorable David Walker
Comptroller General
U.S. General Accounting Office
441 G Street, NW
Washington, DC 20510

Dear Mr. Walker,

Earlier this month, the Office of Management and Budget issued the standards for Metropolitan Statistical Areas (MSA) that will be in effect for the next 10 years. These standards are, for the first time in over 30 years, a considerable departure from those used in the previous decade. For example, a new category called Micropolitan Statistical Areas (MiSA) has been created, and the rules for linking counties based on commuter patterns have changed. Consequently, many local areas, and their Representatives, are unsure what effect these new standards will have on the distribution of federal funds to local governments.

We would like GAO to examine how the new standards compare to those issued in 1993. In addition, we would like GAO to look at how these standards are used in federal funding formulas, and to explain how the differences in MSA standards will affect the distribution of federal funds. We would also like a list of federal statutes that refer to the MSA standards as well as a recommendation of whether the statutory language identified needs to be adjusted to properly reflect the intent of Congress in the light of the new MSA standards.

For example, the 1993 Long Island Metropolitan Statistical Area no longer exists as a separate MSA. It now exists as a Division of the New York Metropolitan Area. How will that change in status affect the distribution of federal funds to an area?

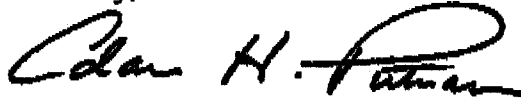
Similarly, the four counties that comprised the 1993 Grand Rapids MSA are no longer in the same Metropolitan Statistical Area, but are in the same Consolidated Statistical Area (CSA). Each county is in a separate MSA or MiSA, and the 2003 Grand Rapids-Wyoming MSA contains three counties that were not a part of the 1993 Grand Rapids MSA. How will these changes in MSA definitions affect the distribution of funds to these seven counties?

Additionally, the Subcommittee requests information as to the impact on federal compensation that is produced by the revised standards.

Our goal is to develop a Subcommittee report that we can distribute to our colleagues so that they can assist the jurisdictions within their district in understanding these changes. Thus, we would like GAO to complete its work by the end of July so that we can put this report together over the August District work period.

If you have any questions regarding this request, please contact Chip Walker at 225-6751 or David McMillen at 225-5420.

Sincerely,



Adam H. Putnam
Chairman
Subcommittee on Technology,
Information Policy, Intergovernmental
Relations and the Census



Wm. Lacy Clay
Ranking Minority Member
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